

FISCAL NOTE

SB 1758 - HB 1673

March 25, 1997

SUMMARY OF BILL: Allows a company to deduct payments received from their parent company for services rendered from **gross receipts** for business tax purposes. In order to qualify for the credit, the company must have transferred its property to a governmental unit or instrumentality such as an Industrial Development Board.

ESTIMATED FISCAL IMPACT:

Decrease State Revenues - Exceeds \$15,000
Decrease Local Govt. Revenues - Exceeds \$100,000

Assumes that, to the extent that the provisions of this bill apply to several subsidiary companies, state and local government revenues from the business tax would decrease. The business tax is levied and collected at the local level, and apportioned 85% to the local government and 15% to the state.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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